

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Hunters View Phase 3, located at 1151 Fairfax Avenue in San Francisco, requested and is being recommended for a reservation of \$6,270,419 in annual federal tax credits to finance the new construction of 117 units of housing serving families with rents affordable to households earning 25%-60% of area median income (AMI). The project will be developed by HV Partners 3, LP and will be located in Senate District 11 and Assembly District 17.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-22-627

Project Name Hunters View Phase 3
Site Address: 1151 Fairfax Avenue
San Francisco, CA 94124
County: San Francisco
Census Tract: 231.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$6,270,419	\$0
Recommended:	\$6,270,419	\$0

Applicant Information

Applicant: HV Partners 3, LP
Contact: Catherine Etzel
Address: 1388 Sutter Street, 11th Floor
San Francisco, CA 94109
Phone: 415-345-4409
Email: cetzel@jsco.net

General Partner(s) or Principal Owner(s): HV HPAH Phase III LLC
JSCo Hunters View 3 LLC
HV Kumaliza

General Partner Type: Joint Venture

Parent Company(ies): Hunters Point Affordable Housing, Inc.
John Stewart Company
Devine & Gong, Inc.

Developer: HV Partners 3, LP

Bond Issuer: City and County of San Francisco

Investor/Consultant: Enterprise Community Partners

Management Agent: John Stewart Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 2
 Total # of Units: 118
 No. / % of Low Income Units: 117 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / Section 8 Project-based Vouchers (53 units - 45%)

Information

Housing Type: Large Family
 Geographic Area: San Francisco County
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
25% AMI:	53	45%
50% AMI:	44	38%
60% AMI:	20	17%

Unit Mix

52 1-Bedroom Units
11 2-Bedroom Units
16 3-Bedroom Units
39 4-Bedroom Units
118 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
37 1 Bedroom	50%	\$1,386
15 1 Bedroom	60%	\$2,097
3 2 Bedrooms	25%	\$1,048
2 2 Bedrooms	50%	\$1,559
5 2 Bedrooms	60%	\$2,517
11 3 Bedrooms	25%	\$1,211
5 3 Bedrooms	50%	\$1,732
34 4 Bedrooms	25%	\$1,351
5 5 Bedrooms	25%	\$1,491
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$296,525
Construction Costs	\$102,485,208
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$5,124,260
Soft Cost Contingency	\$578,729
Relocation	\$0
Architectural/Engineering	\$3,863,144
Const. Interest, Perm. Financing	\$10,632,131
Legal Fees	\$351,294
Reserves	\$1,766,996
Other Costs	\$1,567,196
Developer Fee	\$3,680,000
Commercial Costs	\$2,685,398
Total	\$133,030,881

Residential

Construction Cost Per Square Foot:	\$610
Per Unit Cost:	\$1,104,170
True Cash Per Unit Cost*:	\$1,093,380

Construction Financing

Source	Amount
Chase Tax-Exempt	\$65,000,000
Chase Taxable	\$22,500,000
HTSV Apple	\$2,200,000
San Francisco MOHCD	\$25,000,000
HCD - IIG	\$3,000,000
Deferred Developer Fee	\$2,690,000
Deferred Costs	\$1,496,473
Limited Partner Equity	\$11,144,409

Permanent Financing

Source	Amount
JLL Freddie Mac Mortgage	\$29,000,000
HTSV Apple	\$2,200,000
San Francisco MOHCD	\$25,000,000
San Francisco MOHCD	\$12,961,860
HCD - IIG	\$3,000,000
General Partners Capital	\$100
Deferred Developer Fee	\$1,300,000
Tax Credit Equity	\$59,568,921
TOTAL	\$133,030,881

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$120,596,921
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$156,775,997
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$6,270,419
Approved Developer Fee in Project Cost:	\$3,680,000
Approved Developer Fee in Eligible Basis:	\$3,626,548
Investor/Consultant:	Enterprise Community Partners
Federal Tax Credit Factor:	\$0.95000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.